

## **FISCAL NOTE**

### **SB 3974 - HB 3915**

February 19, 2008

**SUMMARY OF BILL:** Requires institutions of higher education to develop and enforce a policy which prohibits the infringement of copyrighted works over the school's computer and network resources, including the school's local area and internal networks.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$9,515,000/One-Time  
\$1,650,000/Recurring /FY08-09  
\$1,969,500/Recurring/FY09-10  
and Succeeding Years**

#### **Assumptions:**

- Costs would include the implementation of a solution that blocks peer-to-peer (P2P) with certain network traffic signatures that can distinguish between illegal P2P options and legal options.
- Notification to users when they sign onto the network would occur when they receive their network ID and possibly once a year thereafter.
- First year costs to the University of Tennessee system would include a one-time cost of \$200,000 for monitoring software and a recurring cost of \$75,000 for one staff position and benefits to monitor network traffic.
- First year costs to the Tennessee Board of Regents system include a one-time cost of \$2,794,500 for monitoring software, a one-time cost of \$6,520,500 for monitoring hardware and a recurring cost of \$1,575,000 for 21 staff positions and benefits (@\$75,000 each) to monitor network traffic.
- FY09-10 and thereafter recurring costs to the University of Tennessee system include an annual software maintenance cost of \$40,000.
- FY09-10 and thereafter recurring costs to the Tennessee Board of Regents system include an annual software maintenance cost of \$279,450.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rct